R.J. Reynolds Tobacco Company

Ed McAtee
Business Strategy & Planning
741-5154

INTEROFFICE MEMORANDUM

March 5, 1998

L. J. Beasley	C. R. Hill	J. M. Piscitelli
J. W. Best	S. Jabbour	B. H. Redd
P. J. Cundari	R. S. Keith	R. M. Sanders
C. M. Davis	D. F. Knoll	G. J. Scott
J. S. Farmer	P. A. Letourneau	D. W. Shouse
R. L. Fiori	J. V. Maguire	B. K. Stockdale
J. A. Geeting	M. L. Moore	W. Tucker
D. J. Gesmundo	D. E. Owens	D. L. Wilmesher
R. Gomez	G. C. Pennell	R. N. Young

R. F. Kane #1100	L. T. Poole #1800
M. A. Young #1200	B. J. Simkins #5100
J. R. Loftin, Jr. #1300	R. C. Farmer #5400
W. J. Roth #1600	E. R. Haisch, Jr. #5600
P. E. Schmidt #1700	R. P. Dotson #5800
S. Steen #2100	S. R. Karambelas #6200
R. L. Rissler #2200	T. M. Renehan #6300
D. C. Turner #2300	R. D. Garrison #6600
S. B. Driskell #2600	D. B. Riser #6700
G. A. Young #2900	C. A. Van-Horn Dern #6900

Subject: SAVINGS BRANDS COMPETITIVE PRICING (REVISED)

Attached "Savings Brands Competitive Pricing" comparison sheet has been revised. It supersedes the attachment to the "Pricing Summary Report Update" dated February 16, 1998.

Share of Category Incentive on RJR, P/L and Forsyth Brands of 25¢ should not have been included. That amount was included on the Off-Invoice/Monthly Rebate line.

We apologize for any inconvienece that may have occurred as a result of this oversight.

If there are questions, please advise.

Ed

:slc
Attachments

cc: T. F. Fields
J. Y. Marshall
J. R. Moore
F. G. Petto
S. J. Zitta
F.I.

51851 5395

Source: https://www.industrydocuments.ucsf.edu/docs/nspn0000

SAVINGS BRANDS COMPETITIVE PRICING

Revised 3/4/98

	RJR P/L Forsyth	Prime Private Stock Summit	PM/PL	Liggett PL	Liggett Eagle Epic	"Wildcatters" Star Tobacco (Gumsmoke) (Sport) (Main Street) (Vegas)	Premier Marketing (1st Class) (Ultra Buy)	Darcon Int'l (Reno)	Common-wealth (USA Gold) (Common-wealth) (Country Value) (Sonoma)	Medallion Tobacco (USA) (Medallion)	Direct Marketing Services (US1)	JTI (Wave)	Fortune Tobacco Company (Checkers)
List	10.64	10.29	10.64	10.64	10.64	12.29	4.86	7.02	6.44	5.20	7.67	10.39[7]	5.45
Terms	.35	.33	.35	.35	.35	.46	.21		.21	.19	.24	.35	.18
Off-Invoice/Monthly Rebate	3.00	1.00	1.17	3.42[3]	3.17	6.58						3.50	
Net Invoice	7.29	8.96	9.12	6.87	7.12	5.25	4.65	7.02	6.23	5.01	7.38	6.54	5.27
Monthly Rebate		.68	.18				.18					.50	.50
Quarterly Rebate/Accrual			.05					.25					
Semi-Annual Rebate			.25										
Marketing Accrual	05	.40											.30
Net Price	7.24	7.88	8.64	6.87	7.12	5.25	4.47	6.77	6.23	5.01	7.38	6.04	4.47
Optional:													
E.F.T.	.04	.05	.05	.05	.05			.10	.03			.07	
Direct Account Programs							.47		.15[6]				
Quarterly Volume Incentive				.30	.30								
Bus. Devel./Display Accrual		.30											
Annual Volume Incentive			.31[2]										
Share of Category Incentive													
Direct Account Program	.16	.12	.16										
Potential Net	7.04	7.41	8.12	6.52[4]	6.77	5.25[5]	4.00	6.67	6.05	5.01	7.38	5.97	4.39

(1) Prime, Private Stock, Summit periodic incremental couponing $1 to $2.00 or in selected regions run buydowns.
(2) 28¢ volume incentive. 3¢ royalty if applicable.
(3) At wholesalers discretion this amount can be split between off-invoice allowances and monthly rebates.
(4) On certain Private Label brands, Liggett previously quoted from $5.31 to $5.57.
(5) Opening order is $4.75/carton.
(6) Bonus rates based on achievement of 1,000 cases plus annually.
(7) Also offer a one-time display placement payment of $10 to retailer.

***Note: Other minor brands in the marketplace net price range $4.50 to $5.50. Volume negligible at this time.**

51851 5396

Source: https://www.industrydocuments.ucsf.edu/docs/nspn0000